

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 CIAE-00 INR-07 LAB-04

NSAE-00 PA-02 SIL-01 PRS-01 /045 W

----- 085035

P R 291045Z JAN 76

FM AMEMBASSY JIDDA

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 3496

USIA WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

UNCLAS SECTION 1 OF 2 JIDDA 0649

ATHENS FOR RTDO

KUWAIT PASS BAGHDAD FOR INFO

E.O. 11652: N/A

TAGS: BEXP, XF, SA

SUBJECT: BUILDDEX '76

REF (A) MCCAULEY/DANIELS/EBLAN TELCON 1/20/76, (B) USDOC 00161,
(C) USDOC 01295, (D) USDOC 01332, (E) TELCON MCCAULEY/EBLAN
1/27/76

1. EMBASSY APPRECIATES COMMERCE EFFORTS AND DECISION GO AHEAD
WITH EXHIBIT WHICH WILL BE THE FIRST OF ITS KIND IN
SAUDI ARABIA AND FIRST OF THIS
MAGNITUDE. SAUDI BUSINESS COMMUNITY AND OFFICIAL CIRCLES
HAVE SHOWN MUCH INTEREST AND CONCERN FOR THE EVENT.
BUILDING MATERIAL AND CONSTRUCTION EQUIPMENT THEME IS STILL
TOP PRIORITY HERE AS WELL AS IN AREA INFO POSTS. PRIVATE
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SECTOR NEEDS TO HOUSE AN ESTIMATED HALF MILLION WORKERS
WHO WILL COME TO IMPLEMENT THE FIVE-YEAR PLAN. SAUDI BUSINESS-

MEN HAVE BEEN DISAPPOINTED IN MEAGER EXHIBIT EFFORTS OF OUR COMPETITORS AND WANT TO SEE EXHIBIT SUCH AS THEY SEE IN SSA AND EUROPE. WE BELIEVE BUILDEX AS PLANNED WILL SATISFY ALL SAUDI SEGMENTS AND SERVE US NATIONAL INTERESTS. IN THIS CONTEXT WE PROFFER THE FOLLOWING INFORMATION FOR USDOC FOR PLANNING.

2. SITES. FOLLOWING IS PRELIMINARY BREAKDOWN OF COSTS USING EMBASSY GROUNDS AS LOCATION: ESTIMATES ARE PROVIDED FOR SECURITY REQUIREMENTS NECESSARY FOR MOUNTING EXHIBIT. EMBASSY MUST RECEIVE AUTHORIZATION TO EXPEND FUNDS SOONEST. NO WORK CAN COMMENCE UNTIL THESE SECURITY MEASURES ARE TAKEN.

(A) INSTALLATION OF 8' CHAIN LINK FENCE TOPPED WITH ONE STRAND BARBED WIRE 1200 FT. AT \$14.00 FT. -- \$20,000; INCLUDES COST OF GATE.

(B) CUTTING OF COMPOUND WALL, INSTALLATION OF VEHICULAR GATE MEETING SECURITY STANDARDS -- \$10,000

(C) OTHER COSTS RELATIVE TO SECURITY -- \$10,000.

(D) JIDDA COE DOES NOT HAVE TRAILER VAN FOR OFFICE. PREFAB WOULD BE REQUIRED. COST ABOUT \$20,000. HENCE, TOTAL COST ESTIMATE FOR SECURITY OF EXHIBIT SITE WITHIN EMBASSY COMPOUND -- \$60,000. THIS ESTIMATE DOES NOT REPEAT NOT INCLUDE COST ESTIMATES FOR PREPARING PILINGS TO ANCHOR DOME BUILDINGS, ASPHALT OR CONCRETE PADS, OR FOR NECESSARY REMOVAL AFTER EXHIBIT. ESTIMATES DO NOT REPEAT NOT INCLUDE TRANSPORT COST FOR BUILDINGS OR FOR THEIR ERECTION AND DISMANTLING.

3. SITE -- RIYADH:

FOLLOWING INFO DEVELOPED BY COMATT IN TALKS WITH LT. COL. NEAL, CORPS OF ENGINEERS, AND MARWAN BARQ, AGENT/ REPRESENTATIVE OF IRVAN INDUSTRIES, INC.:

(A) BARQ STATED HE WILL DELIVER AND ERECT AIR SUSPENSION STRUCTURE OFFERING 2,350 SQ. METERS OF FLOOR SPACE, INCLUDING PAD AND AIR CONDITIONING, AT COE SITE FOR SR 1,400 PER SQ. METER (APPROX. \$400.00). TOTAL COST ESTIMATE:

SR 3,290,000 (APPROX. \$940,000). PAYMENT TO BE UNCLASSIFIED
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EFFECTED WITHIN TWO WEEKS AFTER CLOSE OF FAIR. COL. NEAL STATED, AS IN LETTER OF UNDERSTANDING, THAT COE WOULD PURCHASE BUILDING AT COST OF SR 1,300 PER SQ. METER. HENCE, COST DIFFERENCE TO USDOC FOR USE OF BUILDING WOULD BE SR 100 PER SQ. METER (APPROX. \$28.00) OR TOTAL SR 235,000 (APPROX. \$67,143).

(B) TIME FRAME FOR PREPARING AIR SUSPENSION STRUCTURE: -- DELIVERY AT RIYADH WILL TAKE ABOUT FIVE WEEKS FROM GO-AHEAD SIGNAL;

-- PREPARATION OF GROUND AND PAD OF CONCRETED ASPHALT OF 2-3 INCHES THICK WILL TAKE SEVEN WEEKS. LOAD BEARING OF SUCH SURFACE WILL SUFFICE ACCORDING TO COE AND WORK CAN COMMENCE IMMEDIATELY;

-- ERECTION OF BUILDING WILL TAKE EIGHT WEEKS AFTER DELIVERY AT RIYADH.

WITH BUILDING DELIVERY TIME RUNNING CONCURRENTLY WITH PREPARATION OF SITE AND PAD, COMPLETED BUILDING COULD BE READY IN FIFTEEN WEEKS AT MOST AND THIRTEEN WEEKS AT MINIMUM UNDER OPTIMUM CONDITIONS -- THUS READY FOR OCCUPANCY ABOUT MID-MAY. APPARENTLY SOME INTERIOR WORK COULD BEGIN DURING ERECTION OF BUILDING.

(C) CHIEF OF ENGINEERING, COE, HAS RECOMMENDED IRVIN AIR SUSPENSION STRUCTURE FOR RIYADH. BARQ REQUESTED APPROPRIATE LISTING FOR IRVIN INDUSTRIES AS PARTICIPANT IN EXHIBITION WITHOUT CHARGE. WEATHER AT RIYADH WILL PERMIT LATER SHOWING THAN AT JIDDA. BARQ STATED HE WILL ACCEPT LETTER OF COMMITMENT FROM EMBASSY OR USDOC, INDICATING THAT PAYMENT WILL BE EFFECTED AFTER CLOSE OF FAIR. FOR OBVIOUS REASONS, COE CANNOT BE CITED IN LETTER OF COMMITMENT AND PREFERS INTER-AGENCY LETTER OF UNDERSTANDING BE BASIS FOR AGREEMENT OF PURCHASE. THUS, THE PROBLEM OF WORKING OUR "GUARANTEE" OF PAYMENT TO BARQ MUST BE RESOLVED. BARQ IS WILLING TO ACT BECAUSE COE NOW HAS DEFINITE INTEREST IN ACQUIRING THE BUILDING. ACTION RECOMMENDED: IF CAGNE DECIDES TO OPT FOR RIYADH AS SITE AND

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AIR SUSPENSION STRUCTURE, STRONGLY RECOMMEND THAT CAGNE ADVANCE THE "COST DIFFERENCE" AS EARNEST MONEY WHICH WAS ONCE SUGGESTED IN CASE OF BIGBEE STEEL BUILDING. THIS ACTION BY USDOC NOW WOULD CLINCH DEAL. BARQ AND COE REQUEST REPLY NLT FEBRUARY 1.

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 CIAE-00 INR-07 LAB-04

NSAE-00 PA-02 SIL-01 PRS-01 /045 W

----- 086898

P R 291045Z JAN 76

FM AMEMBASSY JIDDA

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 3497

USIA WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

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AMEMBASSY KUWAIT

AMEMBASSY MANAMA

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ATHENS FOR RTDO

KUWAIT PASS BAGHDAD FOR INFO

4. OFFER OF LAND BY SAUDI BUSINESSMAN.W

AHMED SULEYMAN, SCION OF LARGEST LAND OWNERS IN JIDDA, HAS OFFERED COMATT USE OF ANY OF FIRM'S EMPTY PLOTS, INCLUDING AREA OPPOSITE KING'S PALACE ON MEDINA ROAD, AT NO CHARGE, FOR U.S. EXHIBIT. ADVANTAGE IS ELIMINATION OF EMBASSY SECURITY CONSTRUCTION COSTS. U.S. REGULATIONS, HOWEVER, MAY REQUIRE AT LEAST TOKEN FEE. EMBASSY HAS NOT MADE ANY COMMITMENT OTHER THAN EXPRESSING THANKS FOR OFFER. THIS IS MENTIONED ONLY AS ALTERNATIVE JIDDA SITE FOR GEODESIC DOMES. OFFER IS ONLY FOR EMPTY LAND. BARQ CONTACTED RE POSSIBILITY ERECTING IRVIN BUILDING AT JIDDA. HE REFUSED BECAUSE OF CERTAIN SALE TO COE AT RIAYDH. HE DOES NOT HAVE SUCH ASSURANCE AT JIDDA. SITE WOULD ALSO REQUIRE TEMPORARY INSTALLATION OF WATER AND ELECTRICITY.

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5. SAG HAS GIVEN EMBASSY OPEN-ENDED PERMISSION FOR

HOLDING BUILDING-76 AT EITHER JIDDA OR RIYADH (IT

WOULD BE NECESSARY TO REQUEST PERMISSION FOR DHAHRAN

IF THAT OPTION IS STILL BEING CONSIDERED). FOREIGN

MINISTRY IS REQUESTING ON URGENT BASIS THAT IT BE IN-

FORMED CONCERNING (A) SITE AND (B) DATES FOR FAIR IN VIEW OF MOUNTING NUMBER OF REQUESTS FROM OTHER COUNTRIES (SEE JIDDA 00193 AND 00533 NOTAL). EMBASSY HAS PREPARED DRAFT NOTE FOR FONMIN ON HOLD BASIS PENDING FINAL DECISION. OWING TO PREVIOUS CHANGES IN DATES, EMBASSY MOST DESIROUS THAT THIS FINAL REPEAT FINAL NOTE ON SUBJECT OF DATES AND PLACE STAY PUT. PERTINENT WORDING OF MOST RECENT FONMIN NOTE READS AS FOLLOWS: BEGIN QUOTE. THE COMPETENT AUTHORITY (MINISTRY OF COMMERCE) WISHES TO KNOW EARLIEST OF THE US AUTHORITIES FINAL DECISION SO THAT IT MAY TAKE ACTION ON REQUESTS FOR OTHER EXHIBITIONS. END QUOTE

6. DATES:

(A) JIDDA -- EMBASSY CONCURS WITH MAY 8 - 13, 1976 DATES FOR JIDDA AS MOST SUITABLE FOR EXHIBIT IN VIEW OF LOCAL CONDITIONS. THIS PERIOD AVOIDS FRIDAY WEEKEND. LATER SCHEDULING WOULD BE ADVERSE FROM JIDDA WEATHER ANGLE AND EARLY-TO-MARKET ASPECT.

(B) RIYADH -- WE HAVE NOTED THAT FROM WEATHER STANDPOINT, EXHIBIT COULD BE HELD SOMEWHAT LATER, IN MAY.

(C) OTHER FAIRS ALREADY SCHEDULED:

(1) FOURTH IDEAL HOME EXHIBITION, RIYADH, APRIL 30 - MAY 9, 1976. (NOTE POTENTIAL CONFLICT FOR PROPOSED DATES OF MAY 8 - 13, 1976 IF REPEAT IF DECISION MADE IN FAVOR OF RIYADH).

(2) FOURTH IDEAL HOME EXHIBITION, JIDDA, OCTOBER 13 - 23, 1976.

(3) THIRD IDEAL HOME EXHIBITION, DAMMAM, NOVEMBER 12 - 21, 1976.

7. PRODUCT CONTENT:

PRODUCT SHOULD FOLLOW THE THEME AS PROPOSED BY COMMERCE. PROTAJOHNS OR JIFFY JOHNS SANITARY FACILITIES WILL BE UNCLASSIFIED

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GOOD ADDITION. MINISTRY OF PILGRIMAGE FACING INCREASED PROBLEMS DUE TO HEAVY INFLUX PILGRIMS DURING HAJ PERIOD. ALSO MYRIAD OF CONSTRUCTION COMPANIES OFFER PROMISING SALES TARGET. ALTHOUGH BUILDING AND CONSTRUCTION ARE PRIMARY CONCERN WE SHOULD NOT LOSE SIGHT OF FACT THE BUILDINGS AND HOMES WILL REQUIRE VAST AMOUNT OF FURNISHINGS AND FIXTURES OF ALL TYPES. AIRCONDITIONING AND DEHUMIDIFYING EQUIPMENT HEAD THE LIST. ALL NEWLY BUILT HOMES HAVE SOME SORT OF AIRCONDITIONING AND CENTRAL AIRCONDITIONING IS CATCHING ON FAST. INSULATING MATERIALS WILL ALSO BE NEEDED, PRESTRESSED AND PRECAST CONCRETE TECHNIQUES ARE NEW TO MARKET HERE AND ADVANTAGES ARE APPRECIATED BY THE LARGER BUILDERS. LABOR SAVING

CONSTRUCTION MACHINERY IS SORELY NEEDED IN VIEW OF ACUTE SHORTAGE OF WORKERS. PREFABRICATED HOUSING AND BUILDING COMPONENTS ARE NOW DUTY FREE AND IN HEAVY DEMAND.

8. HOTEL SPACE:

NO HOTEL ACCOMMODATIONS ARE "GUARANTEED", EITHER IN JIDDA OR RIYADH, EVEN IF RESERVED. PLANNING FOR EXHIBIT MUST REPEAT MUST INCLUDE POSSIBILITY COTS OR SOFA-BEDS, WHICH UNDOUBTEDLY CAN BE SOLD LOCALLY FOLLOWING FAIR.

9. PORTS:

IMPOSSIBLE FORECAST PORT CONDITIONS LATER ON IN 1976 ALTHOUGH SEVERAL EVERGENCY MEASURES ARE BEING TAKEN NOW TO COPE WITH CONGESTION. TRADE FAIR PLANNING SHOULD INCLUDE USE OF ROLL-ON, ROLL-OFF VESSELS, WHICH IS BEING ACCORDED RAPID TURNAROUND TIME JIDDA. CHARTER CARGO AIRCRAFT EVEN BETTER.

10. POLITICAL ASPECTS: EMBASSY ADDRESSED THIS SUBJECT IN PRIOR REPORTING.

11. MUSLIM HOLIDAYS:

IF PLANNING FOR BUILDEX - 76, BECAUSE OF TIME CONSTRAINTS FOR ASSEMBLYING, SHIPPING AND SETTING UP EXHIBIT, SLIPS TO LATE 1976, EVENTS WHICH MUST BE TAKEN INTO CONSIDERATION INCLUDE:

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-- RAMADAN (APPROXIMATELY AUGUST 27 - SEPTEMBER 27, 1976); AND

-- PILGRIMAGE (HAJJ, DECEMBER 1 - 5, 1976). PLEASE NOTE THAT PILGRIMAGE TRAVEL 45 DAYS PRIOR AND FOLLOWING DECEMBER 1 - 5 MAKE MOVEMENT INTO AND OUT OF JIDDA, AND HOTEL SPACE, VIRTUALLY IMPOSSIBLE IN TERMS OF EXISTING FACILITIES.

12. EMBASSY BELIEVES BUILDEX - 76, OR BUILDEX - USA - 76, IS BEST CAPTION FOR TRADE FAIR. AVOID USE "EXPOSITION" ASSOCIATED WITH SEVERAL RATHER SHODDY EXHIBITS. ARABIC VERSION WILL HAVE TO USE HEGIRA DATES, E.G., JUMAD-AWAL 1396.

13. COMMENT: EMBASSY HAS SUBMITTED ABOVE INFO AS BEST SUMMARY/ASSESSMENT OF PROSPECTS FOR HOLDING PROPOSED FAIR SINCE ARRIVAL COMATT AND ECONCOUNSELOR AT POST. WILL ABIDE BY USDOC DECISION ON BASIS OF ABOVE SUBMISSION BUT REQUEST DECISION SOONEST.
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA00649
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760034-0445
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760110/aaaaaiaikr.tel
Line Count: 331
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hattaycs
Review Comment: n/a
Review Content Flags:
Review Date: 01 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 JUL 2004 by schwenja>; APPROVED <26 JUL 2004 by hattaycs>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BUILDEX '76
TAGS: BEXP, XF, SA
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006